



# CITY OF CAMBRIDGE

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## Assessing Department

*Robert P. Reardon*  
Director of Assessment

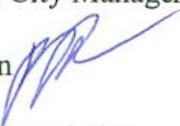
*Faith D. McDonald*  
Deputy Director  
of Assessment

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## MEMORANDUM

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TO: Robert W. Healy, City Manager

FROM: Robert P. Reardon 

SUBJECT: Supplemental Appropriation

DATE: May 1, 2007

CC: Louis DePasquale, Asst. City Manager for Fiscal Affairs  
David Kale, Budget Director/Deputy Finance Director

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The Board of Assessors is requesting an appropriation of \$309,500 in Free Cash to the Professional and Technical Services account to provide funds to complete the technical and professional fees for FY07. Approximately 60% of the appropriation will be used to pay legal fees and the remaining 40% used for real estate appraisal fees. In the past eleven months, the Board of Assessors has resolved 246 Appellate Tax Board cases with a total tax exposure of \$33,646,696 for a tax dollar reduction of \$1,810,670 or 5.4% of the exposure. The newly appointed Chair of the Appellate Tax Board has moved to speed the appeal process by limiting the number of continuances, which has dramatically increased the caseload for all cities and towns. There have been several major cases which have already gone to trial during FY07 including 125 Cambridgepark Drive, 150 Cambridgepark Drive, Marriott Hotel at 2 Cambridge Center, 170 Fawcett Street and several large apartment building cases which have depleted the Professional and Technical Services budget for FY07. There are a number of additional FY07 cases which will require additional legal time and outside real estate appraisals to defend the Board of Assessors values which

are as follows:

- 1) The continuation of the Charles Stark Draper Laboratories (Draper) trial which has appealed both their assessed valuation for 1 Hampshire Street and 571 Technology Square. Draper has also appealed the Board of Assessors denial of their claim of total tax exempt status of all real and personal property. The valuation portion of the case is scheduled to go to trial in the fall of 2007.
- 2) Sears Roebuck and Company has appealed the assessed value of 60-68 First Street with a May 2007 trial date.
- 3) Vertex Pharmaceuticals Inc. has appealed several properties in which they are tenants including 130 Waverly Street, 200 Sidney Street and 675 West Kendall Street. A trial date in June 2007 has been established for the Waverly and Sidney Street properties.

The Board of Assessors has been successful in negotiating settlements where warranted, but cannot justify settlements where taxpayers do not present the documentation required by the General Laws of Massachusetts to disprove the Board's assessments.

The requested additional appropriation which will supplement the FY07 budget will be spent directly on defending the Board's positions before the Appellate Tax Board. The necessity to defend our assessed values and to have the decision for exemption resolved will require several appellate trials of some length. Our request is that we have sufficient funds in the Professional and Technical Services account to see these matters to the end thereby maintaining a fair and equitable taxation system.

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